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DROP Q and A

If I want to continue working after completing my DROP participation period, which form must I complete?

A DROP participant who elects to continue service after their DROP participation ends must complete the RSA form 10D-CCE, DEFERRED RETIREMENT OPTION PLAN PARTICIPATION PERIOD COMPLETED/CONTINUED SERVICE. Sign the form and have it notarized. Have your employer certify your employment and sick leave before returning it to the ERS prior to completing your DROP participation period. You do not need to complete any other form until you decide to terminate employment.

What happens to the sick leave I accrued during my DROP participation period?

On form 10D-CCE, your employer will certify your accrued sick leave to establish the sick leave balance at the end of the DROP participation period. Sick leave accrued during your DROP participation may not be converted to service credit for the purpose of calculating your monthly retirement allowance. The number of days converted cannot exceed the number of days you had on the date you entered DROP.

Example:

If a member had 100 days of sick leave upon entering DROP and accrued 20 more sick leave days during DROP, he or she may only convert 100 sick leave days to service credit. If a DROP participant has 100 sick leave days upon entering DROP and used all of his or her sick leave accrued during DROP plus another 20 days of sick leave, the DROP participant may only convert the remaining 80 days of sick leave to service credit.

Once I decide to terminate service post-DROP, how will my monthly retirement benefit be recalculated to include sick leave accrued prior to entering DROP?

Accrued sick leave may **not** be converted to service credit for the purpose of establishing DROP eligibility, nor used in calculating the monthly retirement allowance upon entering DROP. At the time the member leaves service, the monthly retirement allowance will be recalculated to include accrued sick leave if you elect to do so. However, the number of sick leave days converted and applied to the original benefit cannot exceed the number of days the participant had on the date he or she entered DROP.

What happens to the sick leave I accrue for service during post-DROP employment?

Sick leave earned during post-DROP employment, in excess of the sick leave days certified at the end of DROP participation, may count as service applied to the benefit earned while working after DROP. The post-DROP benefit is calculated separately from the benefit established prior to DROP. If you entered DROP with 100 sick leave days, ended DROP with at least 100 sick leave days, and finished the post-DROP period with 110 sick leave days, 10 sick leave days will be converted to service credit for your post-DROP benefit.

You will have two calculations for your new monthly retirement benefit. One is based on your service prior to entering DROP and will include the applicable sick leave days if you choose to convert sick leave to service credit. A second calculation will be made on your post-DROP service and include any excess sick leave accrued if you elect to convert sick leave post-DROP.

Will I receive two monthly retirement checks?

No. Two calculations (pre-DROP and post-DROP) will be made, but you will only receive one monthly benefit check.

When may I receive distribution of my DROP account?

You may only receive distribution of your DROP account once you terminate employment.

What forms must I complete before I terminate my employment post-DROP?

Complete the **REQUEST FOR DROP DISTRIBUTION AND ROLLOVER ELECTION** form (RSA 10 D-D) and the **TERMINATION OF EMPLOYMENT OF CONTINUED SERVICE-POST DROP** form (ERS 10 D-CT). Send both forms to the ERS at least 30 days prior to termination of employment. If you elect a rollover the Trustee will send the RSA 10 D-D form to the ERS. All forms are located on the RSA Web site at www.rsa-al.gov.

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To have your questions answered in "Preparing for Retirement", please address them to:

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